

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – March 19, 2007

Attendance:

Member	Present
H. Beckler	Yes
J. Bullock	Yes
R. Byrd	Yes
N. Cook	Yes
R. Cordrey	Yes
J. Davis	Yes
L. Davis Burnham	Yes
R. Davis	Yes
R. Derrickson	Yes
J. DiPinto	No
F. Dixon	No
B. Fasy	Yes
R. Gilligan	Yes
R. Glen	Yes
J. Horty	No

Member	Present
D. Hudson	No
R. Larson	Yes
K. Lewis	Yes
D. Link	Yes
A. Lubin	Yes
J. Markell	Yes
J. McKinney Cherry	No
C. Morgan	Yes
E. Ratledge	Yes
G. Simpson	Yes
T. Shopa	Yes
H. Smith-Windsor	Yes
D. Swayze	Yes
C. Wicks	Yes

Members in Attendance: 24
Members Absent: 5

Others Present: H. Burger, P. Carter, M. Casey, T. Cook, J. Craig, D. Dilman, R. Geisenberger, R. Goldsmith, D. Gregor, M. Isabell, M. Jackson, S. Kubico, B. Motyl, R. Prunty, B. Rich, B. Scoglietti, S. Scola, A. Shepard-Visalli, G. Stewart and members of the press.

Opening Business: Mr. Byrd called the meeting to order at 3:05 p.m.

Mr. Cordrey welcomed special guests Ms. Robin Prunty and Mr. Hal Burger from Standard & Poor's.

The minutes from the December meeting were approved as submitted.

Expenditure Subcommittee:

Ms. Davis Burnham presented the Expenditure Subcommittee's report. She reported that, since December 2006, the FY2007 expenditure estimate has been increased. The areas of greatest increase include Salaries & Benefits, up \$10.5 million, and Professional and Contractual Services, up \$23.8 million. Capital Outlays were decreased by \$12.6 million and Medicaid was decreased by \$5.9 million.

A motion was made, seconded and approved to accept \$3,452.9 million as the FY2007 expenditure estimate. This is an increase of \$13.8 million from December's estimate (See Tables 1a and 1b.). The new estimate represents an increase of 8.6% from FY2006 actual expenditures.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Craig reviewed Global Insight's March forecast for the U.S. economy. The outlook remains largely consistent with the forecast presented in December. GDP growth is forecast at 2.2% in the most recent quarter and is expected to remain below trend line growth throughout the first half of calendar 2007. The slowdown in the housing sector continues to be the main drag on the economy. Growth is expected to approach trend growth of 3.0% during the second half of calendar 2007.

Delaware's employment growth has slowed both as a result of the slowing economy and as a result of the MBNA/Bank of America merger.

Mr. Lubin noted that any further concerns of a deepening housing slow down is more of a national concern and less of a concern in Delaware.

Mr. Gilligan asked if the DaimlerChrysler announcement had been accounted for in the forecast. Mr. Gregor responded that it had. Mr. Gregor went on to explain that, with the cooperation of local DaimlerChrysler officials, the Department of Finance had been able to make a good preliminary estimate of the impact on state revenues.

With respect to the FY2008 budget, Mr. Gregor explained that the combination of added withholding from the announced buyouts, scheduled to take effect at the end of FY2007, and the expected loss of withholding, due to lower employment levels at the plant in FY2008, would probably come close to offsetting each other.

Because the plant is expected to operate at current levels until the middle of December 2009, Mr. Gregor explained that the full impact would not be felt until the second half of FY2010, which is outside of DEFAC's current forecast horizon. Mr. Gregor made it clear, though, that the Department and DEFAC will continue to monitor DaimlerChrysler's impact and pointed out, that with more than two and half years to prepare, the State should have ample time to address the resultant fiscal implications.

General Fund Revenues - Fiscal Year 2007:

The Revenue Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-06	Mar-07	Change
Abandoned Property	296.0	325.0	29.0
Personal Income Tax	1,221.2	1,209.3	(11.9)
Insurance Taxes	71.8	83.7	11.9
Franchise Tax	544.8	534.3	(10.5)
Corporation Income Tax	211.3	203.0	(8.3)
Bank Franchise Tax	162.9	170.2	7.3
CIT Refunds	(45.0)	(50.3)	(5.3)
Gross Receipts Tax	167.0	161.8	(5.2)
Other Refunds	(22.5)	(20.0)	2.5
Corporate Fees	65.5	63.7	(1.8)
Other Revenues	98.0	99.6	1.6
Dividends and Interest	21.0	22.5	1.5
Hospital Board and Treatment	62.0	63.1	1.1
Lottery	251.5	252.5	1.0
Public Utility Tax	47.2	46.2	(1.0)
Cigarette Taxes	88.5	88.0	(0.5)
Limited Partnerships & LLC's	90.0	90.5	0.5
Estate Tax	0.4	0.3	(0.1)

For a complete listing of FY 2007 estimates, see Table 2.

Discussion of FY 2007 Estimates:

Personal Income Tax: Mr. Lewis stated that tracking changes in Withholding and Estimated payments accounted for the decrease.

Corporate Franchise Tax: Mr. Lewis stated that tracking changes accounted for the decrease in the estimate. Mr. Lewis added that there is a significant increase in the number of taxpayers using the assumed par value method for calculating their tax. This appears to be related to new electronic filing

requirements.

Corporate Income Tax: Mr. Lewis stated that tracking changes accounted for the decrease in the estimate.

Bank Franchise Tax: Mr. Lewis reported that tracking remains strong in this category. \$5.0 million was shifted into FY2008 pending the appeal outcome of one major tax dispute. In response to a question from Mr. Morgan, Mr. Glen noted that the tracking strength showed up in the final settlements recently filed and added that the drop off in the FY 2008 estimate was largely due to the impact of last year's tax law change. Mr. Glen concluded by stating that recent collections indicate that the banks had a very good CY2006.

Gross Receipts Tax: Mr. Lewis stated that tracking changes accounted for the decrease in the estimate. Mr. Gregor added that a number of large taxpayers did not immediately recognize the tax reduction in this category that went into effect this time last year.

Lottery: Mr. Lewis noted that the estimated impact of Pennsylvania competition might have been slightly conservative. The result is a net increase in the estimate.

Abandoned Property: Mr. Lewis stated that had DEFAC met a month earlier, this estimate could have been lowered by as much as \$40.0 million. He noted that this uncertainty raises the fundamental question of how much exposure the General Fund should have to this category. He concluded by asserting that, to mitigate this exposure, capping the amount of Abandoned Property available to the General Fund is something that should be considered.

Mr. Gregor said that, after adjusting for special fund transfers and the change to the reserve account this year, this category's gross collections are forecast to be roughly \$335.0 million last year, this year and for the next two fiscal years.

Insurance Tax: Mr. Lewis noted that \$10.0 million of this increase reflects a one time payment that will not reoccur.

Updates in other categories were attributed to tracking changes.

FY2007 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,271.2 million as the revenue estimate for FY2007.

The estimate represents an increase of \$11.8 million from DEFAC's December's estimate. Mr. Lewis noted that the nominal growth rate is 3.2% and that the adjusted growth rate is 5.0%.

General Fund Revenues - Fiscal Year 2008:

Mr. Lewis reported that the Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-06	Mar-07	Change
Personal Income Tax	1,297.0	1,276.3	(20.7)
Abandoned Property	296.0	310.0	14.0
Franchise Tax	563.9	550.3	(13.6)
Corporation Income Tax	211.6	203.0	(8.6)
Bank Franchise Tax	147.6	154.8	7.2
Gross Receipts Tax	176.9	171.4	(5.5)
Corporate Fees	69.5	66.2	(3.3)
Lottery	243.8	246.5	2.7
Insurance Taxes	75.0	77.1	2.1
Dividends and Interest	22.3	23.9	1.6
Public Utility Tax	49.3	48.3	(1.0)
Other Revenues	90.6	89.7	(0.9)
Hospital Board and Treatment	69.3	70.0	0.7
Cigarette Taxes	90.4	89.9	(0.5)
Limited Partnerships & LLC's	100.9	101.4	0.5

For a complete listing of FY 2008 estimates, see Table 2.

Discussion of FY2008 Estimates:

Personal Income Tax: Mr. Lewis stated that the growth rates for Withholding and Estimated payments were reduced. DaimlerChrysler's impact is reflected in the lower forecast.

Corporate Franchise Tax: Mr. Lewis stated that the growth rate for this category was reduced from 3.5% to 3.0%.

Corporate Income Tax: The FY2008 estimate reflects a lower base year estimate in FY2007. Mr. Lewis noted, too, that there was some discussion about lowering the FY2008 growth rate in this category. Ultimately, however,

while the Revenue Subcommittee recognized the tax's inherent volatility, it could not reach consensus on the timing or the magnitude of a potential change to the growth rate. As a consequence, the Subcommittee recommended no change in the FY2008 growth rate.

Lottery: The increase in the estimate reflects the belief that the full year impact of Pennsylvania slots competition may be less than initially estimated.

Mr. Lewis reported that other changes reflected carrying the tracking changes made in FY2007.

FY 2008 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,342.5 million as the revenue estimate for FY2008.

The estimate represents a decrease of \$25.3 million from the December estimate. Mr. Lewis noted that the nominal growth rate is 2.2% and that the adjusted growth rate is 4.0%.

Mr. Lewis presented the estimates for FY2009. He noted that the adjusted growth rate for the total General Fund is 5.0%.

Mr. Lewis concluded his presentation by remarking that, given the volatility in the economy and the unevenness in collections during January and February, the combined FY07 – 08 outlook adopted by DEFAC should, relative to expectations, be received as welcome news.

Balance and Appropriations Worksheet: Mr. Gregor presented the balance and appropriations worksheet. He noted that, since the December meeting, the 98% appropriation limit for FY2008 had fallen \$13.2 million or just 0.4%. The result is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast. The following changes were made from the December estimate.

FY2007 Estimates:

- **Toll Road Revenue** was decreased from \$134.2 million to \$130.0 million. Mr. Motyl noted that traffic has not rebounded as much as expected since the toll increase on I-95.
- **Motor Fuel Tax** was decreased from \$121.9 million to \$117.7 million. Mr. Motyl attributed this to tracking and higher fuel prices.

A motion was made, seconded, and approved to accept \$393.7 million as the FY2007 revenue estimate. This represents a decrease of \$8.4 million from the December estimate.

FY2008 Estimates:

- **Toll Road Revenue** was decreased from \$137.3 million to \$133.0 million.
- **Motor Fuel Tax** was decreased from \$124.4 million to \$120.0 million.

A motion was made, seconded, and approved to accept \$396.9 million as the FY2008 revenue estimate. This represents a decrease of \$8.7 million from the December estimate. (See Table 4.)

TTF -- Expenditures: Mr. Motyl presented the FY2007 TTF expenditure report.

No change was recommended from December's estimate for Operations expenditures. A \$20.0 million reduction was recommended for State Capital expenditures. Mr. Motyl attributed this to delays that move the expenditures into next year. Federal Capital expenditures were estimated to be \$37.3 million lower than the December estimate.

A motion was made, seconded, and approved to accept a FY2007 Transportation Trust Fund expenditure estimate of \$745.1 million. (See Table 5.)

Other Business:

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- April 16, 2007
- May 21, 2007

There being no further business, Mr. Byrd adjourned the meeting at 4:00 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2007 (\$ in millions)**March, 2007**

	FY2004	FY2005	FY2006	FY2007	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Appropriation</u>	
Budget Act	2,445.1	2,600.4	2,836.0	3,101.9	
Cash to Bond Bill	142.0	235.0	281.6	243.3	
Grant-in-Aid	38.4	40.0	42.4	50.0	
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	
Supplementals	24.9	50.0	48.0		
Fiscal Year Spending Authority	2,823.7	3,165.5	3,535.8	3,737.7	
LESS:					
				<i>December</i>	<i>March</i>
Reversions to the General Fund	29.8	15.4	12.8	10.0	10.0
Encumbered to next fiscal year	29.1	32.8	32.2	30.0	30.0
Continuing to next fiscal year					
Operating Budget				126.3	114.8
Bond Bill				<u>132.3</u>	<u>130.0</u>
Total Continuing	211.0	295.0	310.3	258.6	244.8
Subtotal	269.9	343.2	355.3	298.6	284.8
Fiscal Year Budgetary Expenditures	2,553.8	2,822.3	3,180.5	(284.8)	
				3,452.9	

Details of supplemental appropriations:

2004: \$22.3 for salaries; \$2.6 for Veteran's home

2005: \$10.0 each for class instruction, post retirement, and federal contingency; \$20.0 for market pressure

2006: \$6.5 for county seats; \$5.0 energy for schools; \$8.0 energy efficiency program; \$2.0 DE energy assistance program; \$20.0 Christina School District; \$6.5 class instruction, housing & influenza

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2007 (\$ in millions)**March, 2007**

	FY2004	FY2005	FY2006	December FY2007	March FY2007	\$ change March vs December	FY2007 YTD (8 mo actual)	% spent YTD
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>December</u>		
Salaries	971.6	1,023.1	1,108.3	1,143.0	1,152.4	9.4	784.1	68.0%
Fringe Benefits	233.3	263.2	298.4	324.2	325.2	1.0	215.3	66.2%
Pension	127.8	147.1	180.7	202.1	202.2	0.1	137.1	67.8%
 Debt Service	 134.3	 153.5	 132.5	 131.2	 131.2	 0.0	 109.9	 83.8%
 Grants	 224.2	 294.1	 403.1	 414.0	 414.0	 0.0	 295.7	 71.4%
 Medicaid	 327.2	 339.1	 381.4	 461.9	 456.0	 (5.9)	 296.5	 65.0%
 Public Assistance Programs	 62.8	 83.6	 91.7	 115.1	 115.0	 (0.1)	 64.8	 56.3%
 Professional Services & Travel	 143.7	 161.3	 181.0	 211.4	 223.0	 11.6	 143.4	 64.3%
 Contractual Services	 223.9	 228.9	 252.2	 264.1	 275.9	 11.8	 191.8	 69.5%
 Supplies & Materials	 62.1	 66.5	 73.6	 75.3	 73.8	 (1.5)	 50.1	 67.9%
 Capital Outlay	 <u>42.9</u>	 <u>61.9</u>	 <u>77.6</u>	 <u>96.8</u>	 <u>84.2</u>	 <u>(12.6)</u>	 <u>63.1</u>	 74.9%
 FY2007 Budgetary Expenditures	 2,553.8	 2,822.3	 3,180.5	 3,439.1	 3,452.9	 13.8	 2,351.8	 68.1%

Comments:

1. Cost challenges continue in Corrections and children's issues, given increased population in these areas.
2. Top 3 Grants total \$296.6 and are: Univ of Delaware \$124.1; Schools (K-12) \$112.5; Transfer to TTF \$60.
3. Medicaid has been budgeted for a 24% increase; the decrease of \$5.9 is an allocation change from the General Fund to Special Funds.
4. Increases in Professional Services and Contractual are not agency-specific, and reflect cash being spent from the Bond Bill.

DEFAC Worksheet

March-07 DEFAC Meeting		FY 2006 A Actual Collections	FY 2007					FY 2008				
	Revenue Category		B DEFAC Dec-06	C % B over A	D DEFAC Mar-07	E % D over A	F \$ Increase D over B	G DEFAC Dec-06	H % G over B	I DEFAC Mar-07	J % I over D	K \$ Increase I over G
1	Personal Income Tax	1,163.3	1,221.2	5.0%	1,209.3	4.0%	(11.9)	1,297.0	6.2%	1,276.3	5.5%	(20.7)
	Less: Refunds	<u>(147.9)</u>	<u>(165.0)</u>	11.6%	<u>(165.0)</u>	11.6%	<u>0.0</u>	<u>(173.3)</u>	5.0%	<u>(173.3)</u>	5.0%	<u>0.0</u>
	PIT Less Refunds	1,015.4	1,056.2	4.0%	1,044.3	2.8%	(11.9)	1,123.7	6.4%	1,103.0	5.6%	(20.7)
2	Franchise Tax	526.4	544.8	3.5%	534.3	1.5%	(10.5)	563.9	3.5%	550.3	3.0%	(13.6)
	Less: Refunds	<u>(14.1)</u>	<u>(13.0)</u>	-7.9%	<u>(13.0)</u>	-7.9%	<u>0.0</u>	<u>(13.0)</u>	0.0%	<u>(13.0)</u>	0.0%	<u>0.0</u>
	Franchise Tax Less Refunds	512.2	531.8	3.8%	521.3	1.8%	(10.5)	550.9	3.6%	537.3	3.1%	(13.6)
3	Business Entity Fees	61.8	65.5	6.0%	63.7	3.1%	(1.8)	69.5	6.1%	66.2	3.9%	(3.3)
4	Limited Partnerships & LLC's	76.5	90.0	17.7%	90.5	18.3%	0.5	100.9	12.1%	101.4	12.0%	0.5
4	Uniform Commercial Code	14.7	12.8	-12.7%	12.8	-12.7%	0.0	11.9	-7.0%	11.9	-7.0%	0.0
5	Corporation Income Tax	182.7	211.3	15.6%	203.0	11.1%	(8.3)	211.6	0.1%	203.0	0.0%	(8.6)
	Less: Refunds	<u>(20.2)</u>	<u>(45.0)</u>	123.2%	<u>(50.3)</u>	149.4%	<u>(5.3)</u>	<u>(32.5)</u>	-27.8%	<u>(32.5)</u>	-35.4%	<u>0.0</u>
	CIT Less Refunds	162.6	166.3	2.3%	152.7	-6.1%	(13.6)	179.1	7.7%	170.5	11.7%	(8.6)
6	Bank Franchise Tax	132.7	162.9	22.7%	170.2	28.2%	7.3	147.6	-9.4%	154.8	-9.0%	7.2
7	Gross Receipts Tax	179.3	167.0	-6.8%	161.8	-9.7%	(5.2)	176.9	5.9%	171.4	5.9%	(5.5)
8	Lottery	248.8	251.5	1.1%	252.5	1.5%	1.0	243.8	-3.1%	246.5	-2.4%	2.7
9	Abandoned Property	325.1	296.0	-8.9%	325.0	0.0%	29.0	296.0	0.0%	310.0	-4.6%	14.0
10	Hospital Board and Treatment	59.9	62.0	3.5%	63.1	5.3%	1.1	69.3	11.8%	70.0	10.9%	0.7
11	Dividends and Interest	13.5	21.0	55.6%	22.5	66.7%	1.5	22.3	6.2%	23.9	6.2%	1.6
12	Realty Transfer Tax	116.9	93.0	-20.4%	93.0	-20.4%	0.0	93.0	0.0%	93.0	0.0%	0.0
13	Estate Tax	4.9	0.4	-91.8%	0.3	-93.9%	(0.1)	0.0	-100.0%	0.0	-100.0%	0.0
14	Insurance Taxes	66.8	71.8	7.5%	83.7	25.3%	11.9	75.0	4.5%	77.1	-7.9%	2.1
15	Public Utility Tax	39.4	47.2	19.9%	46.2	17.4%	(1.0)	49.3	4.4%	48.3	4.5%	(1.0)
16	Cigarette Taxes	88.5	88.5	0.0%	88.0	-0.6%	(0.5)	90.4	2.1%	89.9	2.2%	(0.5)
17	Other Revenues	72.1	98.0	36.0%	99.6	38.2%	1.6	90.6	-7.6%	89.7	-9.9%	(0.9)
18	Less: Other Refunds	<u>(21.0)</u>	<u>(22.5)</u>	7.1%	<u>(20.0)</u>	-4.8%	2.5	<u>(22.4)</u>	-0.4%	<u>(22.4)</u>	12.0%	0.0
	Net Receipts	3,169.9	3,259.4	2.8%	3,271.2	3.2%	11.8	3,367.8	3.3%	3,342.5	2.2%	(25.3)

FY 2008 Debt Limit:

\$167.1

* Corrected *

Balance and Appropriations Worksheet

FY 2007 EXPENDITURES

Total Spending Authority	\$3,737.7
Less: Continuing Appropriations & Encumbrances from FY 2007	(\$274.8)
Less: Reversions	<u>(\$10.0)</u>
Total Expenditures	\$3,452.9

FY 2007 BALANCES

Total Expenditures	\$3,452.9
vs. FY 2007 Revenues	3,271.2
Operating Balance	(181.7)
Prior Year Cash Balance	<u>\$690.6</u>
Cumulative Cash Balance	508.9
Less: Continuing Appropriations & Encumbrances from FY 2007	(274.8)
Less: Budgetary Reserve Account	<u>(\$175.4)</u>
Unencumbered Cash Balance 6/30	\$58.7

FY 2008 APPROPRIATION LIMITS

FY 2008 Revenue Estimate	\$3,342.5
Unencumbered Cash Balance from FY 07	<u>\$58.7</u>
100% Appropriation Limit	\$3,401.2
98% Appropriation Limit	<u>\$3,333.2</u>
Prior 98% Appropriation Limit	\$3,346.4
Increase (Decrease) from Prior Meeting	(\$13.2) -0.4%
Dec. 2006 98% Appropriation Limit	\$3,346.4
Increase (Decrease) from December 2006	(\$13.2) -0.4%

DEFAC Worksheet

March-07 DEFAC Meeting		FY 2009				
	Revenue Category	L DEFAC Dec-06	M % L over G	N DEFAC Mar-07	O % N over I	P \$ Increase N over L
1	Personal Income Tax	1,382.2	6.6%	1,359.2	6.5%	(23.0)
	Less: Refunds	<u>(182.0)</u>	5.0%	<u>(182.0)</u>	5.0%	<u>0.0</u>
	PIT Less Refunds	1,200.2	6.8%	1,177.2	6.7%	(23.0)
2	Franchise Tax	583.6	3.5%	566.8	3.0%	(16.8)
	Less: Refunds	<u>(13.0)</u>	0.0%	<u>(13.0)</u>	0.0%	<u>0.0</u>
	Franchise Tax Less Refunds	570.6	3.6%	553.8	3.1%	(16.8)
3	Business Entity Fees	73.6	5.9%	68.8	3.9%	(4.8)
4	Limited Partnerships & LLC's	113.0	12.0%	113.5	11.9%	0.5
4	Uniform Commercial Code	12.2	2.5%	12.2	2.5%	0.0
5	Corporation Income Tax	211.6	0.0%	203.0	0.0%	(8.6)
	Less: Refunds	<u>(32.5)</u>	0.0%	<u>(32.5)</u>	0.0%	<u>0.0</u>
	CIT Less Refunds	179.1	0.0%	170.5	0.0%	(8.6)
6	Bank Franchise Tax	154.9	4.9%	156.9	1.4%	2.0
7	Gross Receipts Tax	188.4	6.5%	182.5	6.5%	(5.9)
8	Lottery	254.2	4.3%	257.0	4.3%	2.8
9	Abandoned Property	296.0	0.0%	310.0	0.0%	14.0
10	Hospital Board and Treatment	76.3	10.1%	77.0	10.0%	0.7
11	Dividends and Interest	22.8	2.2%	24.4	2.1%	1.6
12	Realty Transfer Tax	93.0	0.0%	93.0	0.0%	0.0
13	Estate Tax	0.0	Na	0.0	NA	0.0
14	Insurance Taxes	79.9	6.5%	82.2	6.6%	2.3
15	Public Utility Tax	51.8	5.1%	50.7	5.0%	(1.1)
16	Cigarette Taxes	92.4	2.2%	91.9	2.2%	(0.5)
17	Other Revenues	92.8	2.4%	92.8	3.5%	0.0
18	Less: Other Refunds	<u>(22.4)</u>	0.0%	<u>(22.4)</u>	0.0%	0.0
	Net Receipts	3,528.8	4.8%	3,492.0	4.5%	(36.8)

Table 4.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2007			Fiscal 2008		
	FY 05 Actual	FY 06 Actual	% Chg. FY 05	12/18/2006 Approved	3/19/2007 Recomm	% Chg. FY 06	12/18/2006 Approved	3/19/2007 Recomm	% Chg. FY 07
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$57.9	\$85.0	46.8%	\$98.0	\$94.4	11.0%	\$99.8	\$96.0	1.8%
Route 1 Toll Road	30.2	31.5	4.3%	\$33.5	\$32.9	4.6%	\$34.8	\$34.2	3.9%
Concessions	<u>2.8</u>	<u>2.7</u>	<u>-3.6%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>0.0%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>0.0%</u>
Total Toll Road Revenues	90.9	119.2	31.1%	\$134.2	\$130.0	9.1%	\$137.3	\$133.0	2.3%
<u>MOTOR FUEL TAX ADMIN.</u>									
Motor Fuel Tax	113.7	120.1	5.6%	\$121.9	\$117.7	-2.0%	\$124.4	\$120.0	2.0%
Motor Carrier Fees	<u>4.2</u>	<u>3.6</u>	<u>-14.3%</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>8.3%</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>0.0%</u>
Total MFTA Revenues	117.9	123.7	4.9%	\$125.8	\$121.6	-1.7%	\$128.3	\$123.9	1.9%
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	65.7	64.9	-1.2%	\$63.7	\$63.7	-1.8%	\$65.6	\$65.6	3.0%
Motor Vehicle Registration Fees	30.2	30.2	0.0%	\$31.2	\$31.2	3.3%	\$32.1	\$32.1	3.0%
Other DMV Revenues	<u>20.3</u>	<u>20.3</u>	<u>0.0%</u>	<u>\$21.0</u>	<u>\$21.0</u>	<u>3.2%</u>	<u>\$21.6</u>	<u>\$21.6</u>	<u>3.0%</u>
Total DMV Revenues	<u>116.2</u>	<u>115.4</u>	<u>-0.7%</u>	<u>\$115.9</u>	<u>\$115.9</u>	<u>0.4%</u>	<u>\$119.3</u>	<u>\$119.3</u>	<u>3.0%</u>
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	7.6	13.0	71.1%	\$15.7	\$15.7	20.8%	\$10.2	\$10.2	-35.0%
Investment Income(Net)	<u>5.2</u>	<u>7.9</u>	<u>51.9%</u>	<u>\$10.5</u>	<u>\$10.5</u>	<u>32.9%</u>	<u>\$10.5</u>	<u>\$10.5</u>	<u>0.0%</u>
Total Other Transp. Revenue	<u>12.8</u>	<u>20.9</u>	<u>63.3%</u>	<u>\$26.2</u>	<u>\$26.2</u>	<u>25.4%</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>-21.0%</u>
GRAND TOTAL	<u>\$337.8</u>	<u>\$379.2</u>	<u>12.3%</u>	<u>\$402.1</u>	<u>\$393.7</u>	<u>3.8%</u>	<u>\$405.6</u>	<u>\$396.9</u>	<u>0.8%</u>

Recommended by Revenues Subcommittee: March 16, 2007

Table 5.

Delaware Department of Transportation
FY 2007 EXPENDITURES **July - February 2007**
(\$ in millions)

67%

	FY2004	FY2005	FY2006	FY2007	December	March		FY2007	% spent
<u>Operations</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Appropriation</u>	<u>Forecast</u>	<u>Forecast</u>	<u>\$ difference</u>	<u>YTD</u>	<u>YTD</u>
Debt Service	95.0	99.2	146.2	116.9	115.1	115.1	0.0	74.7	64.9%
Personnel Costs	75.2	81.2	87.1	105.0	104.0	104.0	0.0	69.4	66.7%
Operations/Capital Outlay	46.3	52.8	42.7	51.9	55.1	55.1	0.0	29.9	54.3%
Transit Operations	<u>64.9</u>	<u>70.4</u>	<u>74.3</u>	<u>79.3</u>	<u>79.3</u>	<u>79.3</u>	<u>0.0</u>	<u>48.7</u>	61.4%
Total Expenditures - Operations	281.4	303.6	350.3	353.1	353.5	353.5	0.0	222.7	63.0%
<u>Capital (State)</u>									
Road System	124.9	186.5	211.8	185.6	168.6	148.6	(20.0)	79.5	53.5%
Grants & Allocations	19.0	25.1	23.9	64.4	64.4	64.4	0.0	25.2	39.1%
Support Systems	45.7	53.3	26.7	28.6	21.6	21.6	0.0	11.8	54.6%
Transit	<u>15.9</u>	<u>14.8</u>	<u>4.1</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>0.0</u>	<u>1.4</u>	37.8%
Total Expenditures- State Capital	205.5	279.7	266.5	282.3	258.3	238.3	(20.0)	117.9	49.5%
<u>Capital (Federal)</u>									
Road System	84.4	94.0	101.3	236.8	164.6	133.9	(30.7)	54.3	40.6%
Grants & Allocations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Support Systems	0.1	0.3	0.2	14.3	14.3	11.2	(3.1)	4.8	42.9%
Transit	<u>4</u>	<u>6.7</u>	<u>8.4</u>	<u>11.7</u>	<u>11.7</u>	<u>8.2</u>	<u>(3.5)</u>	<u>4.7</u>	57.3%
Total Expenditures - Federal Capital	88.5	101	109.9	262.8	190.6	153.3	(37.3)	63.8	41.6%
Total Expenditures - Capital	294.0	380.7	376.4	545.1	448.9	391.6	(57.3)	181.7	46.4%
TOTAL EXPENDITURES	575.4	684.3	726.7	898.2	802.4	745.1	(57.3)	404.4	54.3%

Recommended by Expenditures Subcommittee: March 16, 2007